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SUBJECT: COLOMBIA AND VENEZUELA: TIES THAT BIND

REF: BOGOTA 4125

Classified By: Ambassador William B. Wood

Reason: 1.4 (b,d)

-----Summary

11. (C) President Uribe sees Venezuela's polarizing, anti-U.S. focus as a serious problem, but prefers to manage President Chavez rather than confront him. He works to maintain a positive bilateral atmosphere, using joint energy projects and trade to create incentives to moderate Chavez' behavior. National security concerns, a large and porous border, extensive economic relationships, and significant people-to-people ties explain Uribe's outwardly conciliatory approach. He also uses this approach to create the political space to permit clandestine cross border operations against terrorists and narcotraffickers when required. End summary.

"Perfect Hypocrites"

- 12. (C) Uribe is under no illusions about Chavez. Uribe's close ties with the U.S., as well as his commitment to regional economic integration and security cooperation, put him squarely at odds with Chavez' Bolivarian revolution. He has emphasized to us the anti-democratic nature of the Chavez regime, and criticized Venezuela's lack of cooperation in bringing terrorists and narcotraffickers to justice. GOC officials regularly complain that Venezuela allows the FARC and ELN to use its territory as a sanctuary, and both groups obtain arms and other supplies from across the border. Administrative Department of Security Director Andres Penate told us Venezuelan anti-terrorism cooperation is low level and sporadic. The Colombian military is concerned by Venezuela's recent arms purchases.
- 13. (C) Still, one of Uribe's top bilateral priorities is to ensure that Venezuela does not disrupt implementation of his democratic security policy. He wants to minimize Venezuelan support for Colombia's terrorist groups, and to avoid diplomatic clashes or polarization that would detract from his internal security focus. Hence, Uribe tries to manage Chavez rather than confront him. He regularly meets with Chavez in bilateral summits, and respective Foreign Ministry and intelligence officials also communicate often. Uribe does not challenge Chavez in multilateral fora. Instead, he seeks to strengthen the economic ties between the two countries in an effort to diminish Chavez' leverage over Colombia. Uribe advisor Jose ObdulioGaviria characterized

Colombia's facade of friendship with Chavez by saying, "we are the perfect hypocrites," emphasizing Uribe's use of diplomacy to protect national security.

14. (C) In part thanks to his emphasis on engagement rather than confrontation, Uribe remains able to conduct armed action in Venezuela to protect Colombia from terrorist attack. He authorizes clandestine cross border operations against the FARC as appropriate, while trying to avoid a repeat of the crisis generated by the capture of FARC official Rodrigo Granda in Caracas in 2003. On that occasion, Chavez' decision to close the border to trade caused substantial economic losses in both countries. Since then, Venezuela has not challenged Colombia on such actions.

Structural Factors: Border Security

¶5. (C) A number of structural factors help explain Uribe's public outreach to Venezuela: a large and porous border, extensive trade links, and long-standing people-to-people ties. Colombia's border with Venezuela runs more than 2,000km and encompasses 10 Departments or States in both countries. Crossing without inspection is easy and routine. FARC and ELN forces regularly operate in Venezuela, as shown by a mid-October FARC-ELN clash in El Nula, Apure State that displaced 200. Senior ELN figures spend considerable time in Venezuela, residing openly in Caracas. A GOC-ELN peace process guarantor told us ELN military commander Antonio Garcia has spent most of his adult life in either Europe or Venezuela. Presidential advisor Jose ObdulioGaviria said the GOC welcomes Venezuela's "facilitation" of peace talks with the ELN because it has no choice. It is better to have Chavez inside the process rather than outside causing problems.

Structural Factors: Trade

16. (C) Venezuela is Colombia's second most important trading partner. Two way trade amounted to 3.3 billion USD in 2005, with Colombia enjoying a surplus of some 890 million USD. Figures in the first 6 months of 2006 show trade up 23 percent over comparable 2005 numbers. Colombian exports to Venezuela in 2005 amounted to 9 percent of total exports. 2006 figures show Colombian exports to Venezuela up 17 percent over the corresponding 2005 period. Venezuelan purchases are key in important sectors, such as livestock (97 percent, primarily cattle), meat (93 percent), vehicles (71 percent), cotton (45 percent), and machinery (35 percent). Trade is especially important in border areas. 40 percent of Venezuelans registered with their consulate in Bucaramanga are independent traders, and the figures for Venezuelan consulates in Riohacha and Cucuta are even higher. Vice Foreign Minister Camilo Reyes told us the border economies are so inter-dependent that they have created a separate border culture.

17. (C) Colombia and Venezuela are also cooperating on various energy projects, including the USD 300 million La Guajira/Maracaibo pipeline that started construction in July. Financed entirely by PDVSA, Venezuela hopes to extend the pipeline to Panama and beyond to export gas to Central America (reftel). Venezuela has also started discussions with the GOC on plans to build an oil pipeline to the Pacific (although few knowledgeable people believe a Venezuela-Pacific pipeline is economically viable). Vice Minister Reyes and Colombian National Police Intelligence Chief Oscar Naranjo told us separately that Chavez' keen interest in the pipeline projects has led him to be more accommodating of Colombian security concerns.

Structural Factors: People-to-People Ties

(C) Official Colombian census numbers show that over 600,000 Colombians, or 1 in 5 of all Colombians residing overseas, live in Venezuela. The IOM's Fernando Calado put the real number at almost 1.1 million. The IOM told us that, historically, 70 percent of the Colombians in Venezuela were economic migrants, pushed by poor Colombian prospects and pulled by Venezuela's oil boom. In recent years, the numbers have been reversed, with most Colombians fleeing for security reasons. This migration has also led to many members of Colombia's business and political elites having extensive Venezuelan ties. DAS Director Penate worked in Caracas for several years; former Colombian Ambassador to the U.S. Luis Alberto Moreno is married to a Venezuelan. These extensive people-to-people ties are reflected in the combined 25 consulates in each other's country to serve their respective citizens. Colombia's 15 consulates in Venezuela dwarf its representation in any other country; In comparison, Colombia maintains 10 consulates in the U.S., 6 in Ecuador, and 2 in Panama.

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